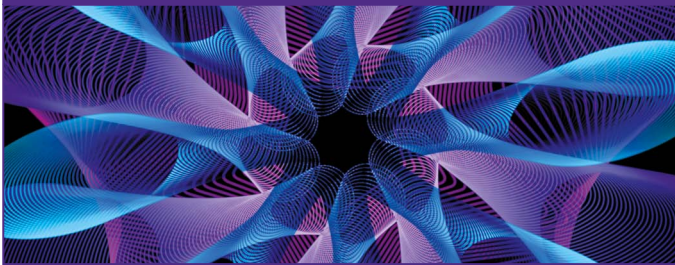


Fund in Focus

BGF New Energy Fund

FEBRUARY 2010 FOR PROFESSIONAL INTERMEDIARIES ONLY



BLACKROCK

“The US is the world’s largest energy consumer and has just elected as President a vocal supporter of New Energy. This should be reassuring for investors in our New Energy Fund, which has more than 50% exposure to the US”.

Fund manager

**Robin Batchelor**

Fund manager of BGF New Energy Fund since April 2001.

Years at BlackRock: 13

Co-fund manager

**Poppy Allonby**

Fund manager of BGF New Energy Fund since October 2002.

Years at BlackRock: 9

Fund objective

The Fund seeks to maximise total return expressed in US dollars by investing primarily in the equity securities of companies worldwide whose predominant economic activity is in the alternative energy and energy technology sectors. Emphasis may be given to renewable energy, automotive and on-site power generation, energy storage and enabling energy technologies.

		Global Sector Funds
Stockmarket Capitalisation	Large	60-90 stocks
	Mid	
	Small	

The number of shares quoted for the Fund is indicative and actual numbers may fall outside of the ranges shown

Management style

Typically between 60-90 stocks are held in the portfolio across a range of small to large capitalisation companies. The Fund employs a growth investment style. In terms of individual security weightings, the maximum holding in one stock is 10%. Country and sector weightings are the product of stock selection. This is a relatively new asset class and there is no well-established definition of the universe, but the team seeks to invest in companies with a significant involvement in one of six industry sectors which will benefit most from the growth in demand for new energy technology:

- ▶ Renewable energy
- ▶ Alternative fuels
- ▶ Automotive and on-site power generation
- ▶ Energy storage
- ▶ Materials technology
- ▶ Enabling energy technology

Investment process

The team begins the research process with a top-down macro analysis. They analyse the regulatory and political environment looking into existing and pending legislation, liquidity and volatility risk. They then delve deeper into

individual technologies, such as solar or wind and the current industry environment, and based on various criteria including competitive structure and the commercial viability of emerging technologies, the market potential of these.

Investment process (continued)

The next stage is rigorous company-specific research which may include financial modelling of individual companies where appropriate. Company management and product potential are factors which the team believes are a key determinant of a business's success and its ability to grow value for shareholders within this sector.

Criteria that the team considers include:

- ▶ Experience
- ▶ Market potential / competitive position
- ▶ Path to commercialisation
- ▶ Partnerships / strategic relationships
- ▶ Barriers to entry

Buy / sell process

Buy / add

Companies with a commercial product, good operational performance and a strong management team.

Identifiable catalysts.

Undervalued company given growth prospects.

Sell / reduce

If the analysis indicates a negative shift in the company's prospects. This can be either for company specific (ie change in management strategy, balance sheet events or valuation change or operating environment reasons (ie change in industry outlook / legislation).

If the share is overvalued in relation to our assessment of its prospects.

Portfolio characteristics

This is a relatively and rapidly evolving new asset class. As such, there is no well-established definition of the universe, but the team seeks to invest in companies with a significant involvement in one of the following six industry sectors:

- ▶ Renewable energy – the generation of electricity from the renewable energy sources such as solar, wind, wave, tidal, hydro and geothermal.
- ▶ Alternative fuels – alternative methods of creating fuels instead of the traditional mineral crude oil. Sources for these alternative fuels include crops, waste, coal and natural gas.
- ▶ Automotive and on-site power – technologies that replace the internal combustion engine in vehicles or replace traditional methods of generating electricity at the end-user site without utilising the electricity grid. An example of this technology is

fuel cells which are being developed for use in road vehicles, buildings and mobile phones.

- ▶ Energy storage – technologies used to store electricity once it has been generated. Examples include flywheels, capacitors and hydrogen storage technology.
- ▶ Materials technology – new materials that enhance the performance or efficiency of energy systems. An example is superconducting material that reduces resistance losses during the transmission electrical energy.
- ▶ Enabling energy technology – technologies that enable or support those industries identified above. Examples include companies operating in energy electronics and emissions trading and marketing.

Investment outlook

The new energy sector continues to benefit from government-mandated growth targets which aim to combat climate change and promote energy security. However, new energy equities continue to be affected by broader market volatility, as well as the prices of traditional energy, such as oil and coal. While this volatility is likely to continue to affect the sector in the shorter

term, the long-term growth prospects of the sector have not diminished. Government support of the sector has actually increased recently, as politicians see new energy as a popular way to spend infrastructure funds – stimulating the economy and creating jobs, as well as combating climate change.

Awards and ratings



- ▶ The Fund is AA rated by Standard & Poors and A rated by OBSR. The August 2009 S&P report cites "the team's considerable experience, consistent investment approach and track record" as reasons for retention of the rating.

- ▶ Morningstar rated the Fund with a 'Superior' rating in October 2009. They describe the team as "experts in their field", and comment that Robin and Poppy are "part of the strong Natural Resources team at BlackRock, one of the most stable and well-resourced teams we've come across". They also comment that "among alternative energy funds, we believe BGF New Energy is one of the very few that deserves our Superior rating".

Fund manager profiles

- ▶ Robin Batchelor, Managing Director and portfolio manager, is a member of BlackRock's Natural Resources team.

Robin joined the Natural Resources team in London in 1996 and worked on the Gold and Mining Funds through 1998. Robin subsequently developed the energy capability within the Natural Resources team and began managing dedicated energy funds in January 1999. The London-based energy team is responsible for both traditional oil and gas investment funds as well as alternative energy portfolios.

Robin earned his BSc in applied geology from Colorado State University and Glasgow University, and his MSc in investment analysis from Stirling University. In 2001 Robin was named 'One of the Top Twenty Fund Managers in the World' by Forbes magazine.

- ▶ Poppy Allonby, CFA, Director and portfolio manager, is a member of BlackRock's Natural Resources team.

Poppy is responsible for co-managing the BGF World Energy and BGF New Energy Funds, PAM Energy and BFM New Energy Technology plc. Poppy's service the firm dates back to 2000, including her time with Merrill Lynch Investment Managers (MLIM). Prior to working on the Natural Resources team, Poppy was an analyst on the US Equity team, responsible for the basic materials, utilities and energy sectors.

Poppy earned a BSc degree in physics, from the Imperial College of Science and Technology.

Investment team

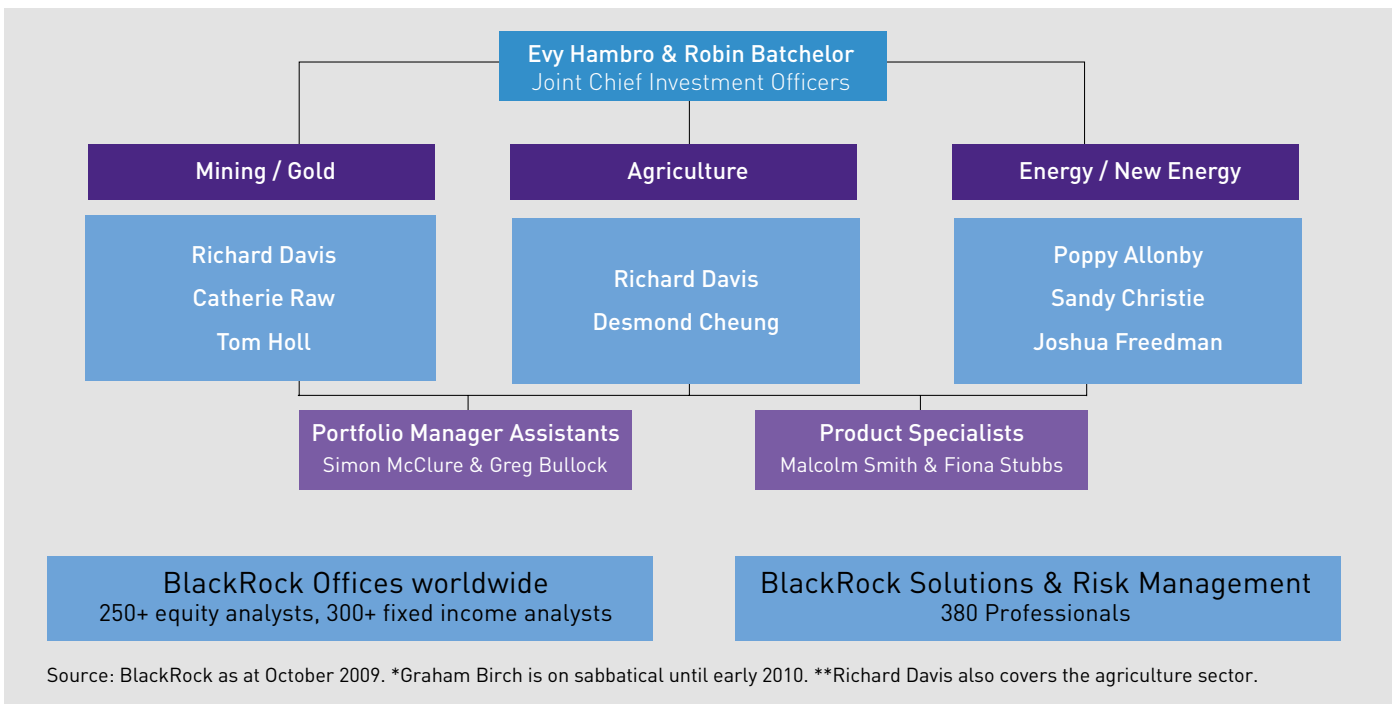
- ▶ The team is based in our London office. It is arguably one of the strongest natural resources teams in the industry, managing approximately US\$36.3bn in assets* and has won over 100 industry awards for investment performance.
- ▶ The core of the team has been working together for over ten years on average. There are 13 people on the team with a total of 125 years of investment experience.
- ▶ The team consists of nine portfolio managers. Three portfolio managers are dedicated to the gold and mining sectors; two

portfolio managers are dedicated to the agriculture sector and four portfolio managers are dedicated to the energy and new energy sectors. Five of the team's nine portfolio managers are geologists/geophysicists/engineers.

- ▶ The team also have two dedicated product specialists, who deal with everyday client queries and investment communications, allowing portfolio managers to focus on running the fund with a minimum of distraction.

*As at 31 December 2009.

Natural Resources Team, London



Key facts as at 31.10.2009

Fund managers	Robin Batchelor / Poppy Buxton	Benchmark	MSCI World
Appointed to fund	April 2001 / October 2002	Currency	US\$
Years at BlackRock	Thirteen / Nine	Other Currencies	£/€
Fund launch date	06.04.2001	Swiss valoren (A shares)	1211508
ISIN code (A shares)	LU0124384867	Reuters code (A shares)	BLRKIH
Bloomberg code (A shares)	MERNEWA LX		

Where this fund features in our range

Global Sector Funds

		New Energy	World Energy	World Financials	World Gold	World Health Science	World Technology	World Mining
Stockmarket Capitalisation	Large							
	Mid	60-90 stocks	40-60 stocks	50-75 stocks	50-80 stocks	40-70 stocks	35-55 stocks	50-80 stocks
	Small							

The number of shares quoted for each Fund is indicative and actual numbers may fall outside of the ranges shown.

The Fund invests a large portion of assets which are denominated in other currencies; hence changes in the relevant exchange rate will affect the value of the investment. The Fund invests in economies and markets which may be less developed. Compared to more established economies, the value of investments may be subject to greater volatility due to increased uncertainty as to how these markets operate. The Fund investments may be subject to liquidity constraints, which means that shares may trade less frequently and in small volumes, for instance smaller companies. As a result, changes in the value of investments may be more unpredictable. In certain cases, it may not be possible to sell the security at the last market price quoted or at a value considered to be fairest. Data Source - © 2007 Morningstar, Inc. All Rights Reserved. S&P Fund Ratings, Copyright© 2007 The McGraw-Hill Companies, Limited trading as Standard & Poor's. All rights reserved. This material is for distribution to Professional Clients and should not be relied upon by any other persons. The Fund invests in a limited number of market sectors. Compared to investments which spread investment risk through investing in a variety of sectors, share price movements may have a greater affect on the overall value of this fund. Past performance is not a guide to future performance and should not be the sole factor of consideration when selecting a product. All financial investments involve an element of risk. Therefore, the value of your investment and the income from it will vary and your initial investment amount cannot be guaranteed. Unless indicated the fund information displayed only provides summary information. Investment should be made on the basis of the relevant booklet together with the Prospectus, the Simplified Prospectus and relevant application forms which are available on request from the Manager. Please note that BlackRock will not make these documents available to investors in certain jurisdictions where the funds are not authorised for sale, except where local marketing laws otherwise permit. BlackRock Global Funds (BGF) is an open-ended investment company established in Luxembourg which is available for sale in certain jurisdictions only. BGF is not available for sale in the U.S. or to U.S. persons. Product information concerning BGF should not be published in the U.S. It is recognised under Section 264 of the Financial Services and Markets Act 2000. BlackRock Investment Management (UK) Limited is the UK distributor of BGF. Most of the protections provided by the UK regulatory system, and the compensation under the Financial Services Compensation Scheme, will not be available. A limited range of BGF sub-funds have a distributor status A sterling share class that seeks to comply with UK Distributor Status requirements. Subscriptions in BGF are valid only if made on the basis of the current Prospectus, the most recent financial reports and the Simplified Prospectus which are available on our website. Prospectuses, Simplified Prospectuses and application forms may not be available to investors in certain jurisdictions where the Fund in question has not been authorised. Issued by BlackRock Investment Management (UK) Limited (authorised and regulated by the Financial Services Authority). Registered office: 33 King William Street, London, EC4R 9AS. Registered in England No. 2020394. Tel: 020 7743 3000. For your protection, telephone calls are usually recorded. BlackRock is a trading name of BlackRock Investment Management (UK) Limited. Issued in Switzerland by the representative office, BlackRock Investment Management (UK) Limited (London), Zurich Branch, Claridenstrasse 25, Postfach 2118 CH-8022 Zürich from where the Company's Prospectus, Simplified Prospectus, Articles of Association, Annual Report and Interim Report are available free of charge. Paying Agent in Switzerland is JPMorgan Chase Bank, National Association, Columbus, Zurich Branch Switzerland, Dreikönigstrasse 21, CH-8002 Zurich. BGF has been registered on the official list of the Financial Supervision Commission (Komisja Nadzoru Finansowego) for distribution in Poland. Issued in Poland by the representative office BlackRock Investment Management (UK) Limited Oddział w Polsce, Rondo ONZ 1, 00-124 Warszawa. Paying agent in Poland is Bank Handlowy w Warszawie SA, ul. Senatorska 16, 00-950 Warsaw, Poland. Issued in Singapore by BlackRock Investment Management (Singapore) Limited. This material may only be distributed to institutional investors (as defined in section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA") and accredited investors (as defined in section 4A of the SFA) and not to the retail public in Singapore. This material is for information purposes only and does not constitute an offer of shares in any of the BlackRock Global Funds. You should consider carefully whether the investment is suitable for you.

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